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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 SSC-01 NIC-01 ACDA-05 TRSE-00 SAJ-01 FRB-03

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USMISSION NATO
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AMCONSUL OPORTO
AMCONSUL PONTA DELGADA

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TAGS: ECON, PINT, PO

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SUBJ: ECONOMIC SECTIONS OF MDP ELECTORAL PROGRAM

REF: LISBON 1812

SUMMARY: ECONOMIC AND SOCIAL SECTIONS OF PORTUGUESE DEMOCRATIC MOVEMENT'S (MDP/CDE) ELECTORAL PROGRAM ARE OF MORE THAN USUAL INTEREST BECAUSE AT LEAST THREE OF GOVERNMENT'S FIVE NEW ECONOMIC MINISTERS ARE LINKED WITH PARTY. PROGRAM STRESSES ANTI-MONOPOLISM AND ROLE OF PEOPLE AND UNIONS IN ECONOMY, AND CALLS INTER ALIA FOR REDUCED OR NO COMPENSATION FOR NATIONALIZATIONS, REORGANIZED PRICE AND DISTRIBUTION SYSTEMS, INCREASED ECONOMIC RELATIONS WITH SOCIALIST AND THIRD WORLD COUNTRIES, REDEFINITION OF AND STRONG RESTRICTIONS ON FOREIGN INVESTMENTS, NATIONALIZATION OF HOSPITALS, PROHIBITION OF DISMISSLAS WITHOUT JUST CAUSE, AND RIGHT OF OCCUPATIONS OF BUSINESSES. POPULAR AND WORKER VIGILANCE AND INTERVENTION ARE RECURRENT THEMES. END SUMMARY.

1. APRIL 2 DIARIO DE NOTICIAS CARRIED ELECTORAL PROGRAM OF PORTUGUESE DEMOCRATIC MOVEMENT (MDP/CDE). SOME OF PROGRAM MAY SIMPLY BE CAMPAIGN RHETORIC, BUT ECONOMIC AND SOCIAL SECTIONS OF PROGRAM GIVE INSIGHT INTO IDEAS OF THOSE THREE (AND POSSIBLY FOUR) OF FIVE NEW GOP "ECONOMIC" MINISTERS WHO ARE LINKED WITH MDP (REFTEL). HIGHLIGHTS OF MDP PROGRAM FOLLOW (TRANSLATION OF FULL TEXT BEING POUCHED).

2. ECONOMIC PATHS AND OBJECTIVES
A. ANTI-MONOPOLY AND ANTI-"LATIFUNDARIO:" INCLUDES REDUECED OR NO COMPENSATION FOR EXPROPRIATIONS/NATIONALIZATIONS; ELIMINATION OF PRIVILEGES (SUBSIDIES, CREDITS, BENEFITS FROM PUBLIC IRRIGATION PROJECTS); "DEMOCRATIC SURVEILLANCE" OF KEY SECTORS TO PREVENT UNDERVALUATION OF EXPORTS AND CAPITAL FLIGHT; AND GIVING SMALL AND MEDIUM-SIZED COMPANIES PRIORITY ON PURCHASES BY PUBLIC SECTOR.

B. "PROGRESSIVE TRANSFORMATION OF BANKS:" CALLS FOR "INSTITUTIONALIZED INTERVENTION" IN CONTROL BY BANKERS' UNIONS, AND CHANNELING OF CREDIT TO "NON-MONOPOLISTIC UNDERTAKINGS," AGRICULTURE, AND HOUSING.

C. "POPULAR AND ANTI-MONOPOLISTIC TAXATION:" PROPOSES INCREASED
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TAXES ON HIGH INCOMES, PROFITS, MULTIPLE MANAGEMENT POSTS, UNPRODUCTIVE WEALTH, AND SUPERFLUOUS CONSUMPTION.

D. SOCIAL PRICE AND COMMERCIAL POLICES: INCLUDES ELIMINATION OF "PARASITIC INTERMEDIARIES," AND WORKER PARTICIPATION IN DETERMINING "RHYTHMS" OF PRODUCTION AND SUPPLY.

E. "EXTERNAL COMMERCE FOR INTERNAL PROGRESS:" CALLS FOR FREEING

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PORTUGAL FROM FOREIGN DEPENDENCE, DEVELOPING TRADE WITH SOCIALIST AND THIRD WORLD COUNTRIES, PARTICULARLY THE EX-COLONIES; NATIONALIZATION OF BASIC IMPORTING FUNCTIONS; AND PROMOTING EXPORTS FROM SMALL AND MEDIUM-SIZED COMPANIES.

F. "PEOPLE'S TOURISM:" INCLUDES UTILIZATION FOR WORKERS OF EXISTING INFRASTRUCTURES AND CULTURAL AND TOURIST EXCHANGES WITH "FRIENDLY COUNTRIES."

G. SOCIAL FUNCTION": FOR INDUSTRY, CONSTRUCTION, AND TRANSPORT INCLUDES "PROGRESSIVE" REORGANIZATION, INCORPORATING ORGANIZED POPULAR PARTICIPATION AND INCREASED PUBLIC INVESTMENT.

H. AGRICULTURE AND FISHERIES: PRODUCTION TO BE BASED ON COOPERATIVE ASSOCIATIONS OF SMALL FARMERS, PLUS REVISION OF RENTAL SYSTEM AND DEVELOPMENT OF "PUBLIC COMPANIES." IN FISHERIES, ASKS FOR PURGES AMONG OWNERS, AND FOR "PROTECTION AGAINST FOREIGN GROUPS."

I. "PATRIOTIC AND ANTI-IMPERIALISTIC ECONOMY:" PROGRAM SAYS THIS IMPLIES REDEFINITION OF FOREIGN INVESTMENT, RESTRICTING IT TO SECTORS WITH INSUFFICIENT NATIONAL INITIATIVE; PREVENTION OF ABUSIVE EXPLOITATION OF MANUAL LABOR; SEVERE RESTRICTIONS ON APPROPRIATION OF NATIONAL WEALTH OR DOMINATION OF INTERNAL MARKET; RESTRICTIONS ON USE (BY FOREIGN FIRMS) OF PORTUGUESE FINANCIAL RESOURCES; AND PREFERENCE FOR EXTERNAL CREDITS OF PUBLIC CHARACTER.

3. SOCIAL PATHS AND OBJECTIVES: INCORPORATES FOLLOWING ECONOMICALLY-RELATED AREAS:

A. HOUSING, URBANISM, AND TRANSPORT: INCLUDES SOCIALIZATION OF URBAN LAND AND PREVENTION OF SPECULATION THROUGH UNSPECIFIED "ADEQUATE MEASURES" OR THROUGH CONSTRUCTION BY STATE AND NON-
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PROFIT ORGANIZATIONS; STIMULATION OF PRIVATE CONSTRUCTION SUBORDINATED TO GENERAL INTEREST AND WITH RENT AND PROFIT CONTROLS; AND ABSOLUTE PRIORITY FOR MASS TRANSPORT.

B. HEALTH AND SOCIAL SECURITY: CALLS FOR DRASTIC REORGANIZATION OF PRESENT MEDICARE SCHEMES, CHANNELING THEM THROUGH COMMUNITY MEDICAL CENTERS; REORGANIZATION AND NATIONALIZATION OF HOSPITALS; ANTI-MONOPOLISTIC AND ANTI-IMPERIALISTIC POLICY IN RESTRUCTURING OF PHARMACEUTICAL INDUSTRY; AND LIBERATION OF MEDICAL WORKERS FROM BOSSES' CONTROL.

C. WORKERS' RIGHTS: CALLS FOR LIBERTY OF CHOICE OF PROFESSION AND LOCALE; PROHIBITION OF INDIVIDUAL OR COLLECTIVE DISMISSALS WITHOUT JUST CAUSE; DEFENSE OF UNION UNITY; AND, WITH UNION SUPPORT, RIGHT OF SURVEILLANCE AND OCCUPATION OF COMPANIES.

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4. THERE ARE SOME RECURRENT THEMES IN MDP PROGRAM. ONE IS "ANTI-MONOPOLISM"--STRENGTHENING AND UNIFYING THE SMALL, WHETHER INDUSTRIES, MERCHANTS, OR FARMERS, AGAINST THE BIG. BUT THE MOST PREVALENT THEMES REVOLVE AROUND PERCEIVED ROLE OF THE PEOPLE (AND, SECONDARILY, UNIONS). BESIDES THE CALLS FOR SURVEILLANCE, PARTICIPATION, OR OCCUPATION RIGHTS NOTED ABOVE, PROGRAM ALSO ASKS FOR INSTITUTIONALIZED VIGILANCE TO FORESTALL TAX FRAUD AND EVASION AND WATCH OVER OPERATIONS BETWEEN COMPANIES OF THE SAME GROUP, POPULAR PARTICIPATION (UNDEFINED) IN PRICE CONTROL, AND CREATION OF "DAYS OF VOLUNTARY LABOR." EVEN WHILE IN ITS CONCLUSION CALLING FOR "DEMOCRATIC PLANNING," PROGRAM EXHORTS POPULAR INTERVENTION IN CHOICE OF MAJOR LINES OF ECONOMIC AND SOCIAL POLICY.

5. COMMENT:
A. INDICATIONS ARE THAT GOVERNMENT'S NEWMDP-DMONIATED ECONOMIC TEAM WILL BE GIVEN TASK OF REVISING SIX-WEEK-OLD, BUT ALREADY OBSOLETE, GOVERNMENT ECONOMIC AND SOCIAL PROGRAM(ESP). ALTHOUGH SOME ITEMS OF MDP PROGRAM WERE ALREADY INCORPORATED IN THE ESP(SUCH AS LAST TWO ITEMS OF PARA. 2.E.), MOST OF PARTY'S PROPOSALS, ALTHOUGH SOMETIMES AMBIGUOUS, APPEAR TO MOVE CONSIDERABLY BEYOND THE FAIRLY MODERATE ESP.

B. CALL FOR INCREASED ECONOMIC TIES WITH THIRD WORLD ECHOES FAVORITE THEME OF EX-ECONOMIC COORDINATOR, NOW FOREIGN MINISTER, LIMITED OFFICIAL USE

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MAJOR MELO ANTUNES.

C. MDP PROPOSAL TO RESTRUCTURE PHARMACEUTICAL INDUSTRY, IF ADOPTED, COULD AFFECT SEVERAL U.S. AND FOREIGN FIRMS THAT HAVE INVESTED IN THAT SECTOR.
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